

Adcock-Ingram buys Cosme Farma India for \$86 mn

16 July 2012 | News | By BioSpectrum Bureau

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Singapore: Adcock-Ingram, which is one of the biggest pharma companies of South Africa, paid a huge premium to buy out Indian firm, Cosme Farma, in an attempt to gain more access to markets in India. The amount paid is estimated to be around \$86 million (INR 480 crore).

Mr Andy Hall, financial director, Adcock, revealed that his company had paid more than 13 times last year's profit of Cosme for the acquisition. "Cosme is not an unsubstantiated player in that market, ranked just outside the top 50 in a market where there are 5,000 drug companies. It certainly shows some of the brand equity they have built up over the past 40 years," he said.

Mr Hall said they had not purchased the manufacturing component of Cosme, but only its sales and distribution infrastructure across 27 states in the Indian market.

"There is no question that we need to be diversifying our revenue in new streams and into high emerging growth markets and there are few better places to be doing that than India and certain parts of Africa," Mr Hall said.

"We are fortunate to get with the business about one thousand medical reps who cover about 150,000 physicians in India, and on top of that about 60 brands which are very well entrenched in some fast-growing therapeutic classes areas such as dermatology and gynaecology," Mr Hall said.